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Subject— Opinions under the General Clauses Act of 1897

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C O N T E N T S.

Legal Department File No. O. General Clauses/45

Serial No.	R.I./O.No.	Subject	Pages.
		Opinions under the General Clauses Act,1897	
1	O.No. 6138 20-8-1945	Section 3(28)- The Bombay Primary Education Act. 1923, section 8C(2); The Indian Securities Act 1920 section 2(a) Whether a District School Board can invest its fund in the Post Office National Savings Certificates.	1-2

SMR 6-7-56
4 5 Copies.

The question raised for the consideration of the R.L.A. is whether a District School Board can invest its fund in the Post Office National Savings Certificates.

2 Sub-section (2) of section 8C of the Bombay Primary Education Act, 1923, provides that it shall be lawful for a School Board to invest such portion of the Primary Education Fund as is not likely to be required immediately in Post Office Cash Certificates or in the securities of the Central Government or of any Provincial Government. "Government security" as defined in section 2(a) of the Indian Securities Act, 1920, means promissory notes (including treasury bills), stock certificates, bearer bonds and all other securities issued by the Central Government or by any Provincial Government in respect of any loan contracted either before or after the passing of that Act, but does include a currency notes. Post Office National Savings Certificates issued under the Post Office National Savings Certificates Ordinance, 1944, do not appear to be Government securities within the meaning of section 2(a) of the Indian Securities Act, since they have not been issued in respect of any loan contracted by Government. Nor are these certificates Post Office Cash Certificates (see the Cash Certificates Rules at page 110 of the Post and Telegraph Guide, 1943). Consequently it would not be permissible for a District School Board under sub-section (2) of section 8C of the Bombay Primary Education Act to invest its funds in the Post Office National Savings Certificates. The view taken in para.1 of E.D. office note at page 3 ante is correct.

3 Rule 2(2)(v) read with rule D(4)(c) of the Post Office National Savings Certificates Rules enables a local authority to purchase Postal Savings Certificates of the face value of rupees one lakh. The Post Office

National Savings Certificates Ordinance, 1944, being

later date, a District School Board though not permitted under sub-section (2) of section 8C of the Bombay Primary Education Act, 1923, would it seems be competent to invest its funds in the Post Office National Savings Certificates provided it is a local authority. Under rule A(2)(v) the definition of local authority in section 3(28) of the General Clauses Act, 1897, has been adopted. Local authority as defined therein means Municipalities, Notified Areas, District Boards, Port Commissioners and similar bodies entitled or entrusted by the Government with the control or management of a Municipal or Local Fund. The R.L.A. in his opinion No. 395-Confl. dated the 4th September 1942 has expressed the view that though the point is not free from doubt a District School Board can be deemed to be a local authority within the meaning of section 3(28) of the General Clauses Act. It appears therefore that there is no legal objection to a District School Board investing its funds in the Post Office National Savings Certificates up to the limit prescribed under the rules.

Id./..... 16/8/45

Remembrancer of Legal Affairs.

U.R. to E.D.No, 6138 dated the 20th August 1945.

SMR 6-7-56
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